Legislation Text

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TO: **Mayor and Commissioners**
FROM: **Jeff Oris, Assistant City Manager**
THROUGH: **Terrence R. Moore, ICMA-CM**
DATE: **August 18, 2026**

ORDINANCE NO. 34-26: AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AMENDING THE LAND DEVELOPMENT REGULATIONS OF THE CODE OF ORDINANCES OF THE CITY OF DELRAY BEACH, CHAPTER 5, "SUBDIVISION REGULATIONS," ARTICLE 5.3 "DEDICATION AND IMPACT REQUIREMENTS" SECTION 5.3.2 "PARK LAND DEDICATION REMOVING SUBSECTION (C) "IMPACT FEE REQUIRED" TO MOVE THE PARKS IMPACT FEE TO A NEW ARTICLE 8.1 "IMPACT FEES"; BY AMENDING CHAPTER 8, SPECIAL IMPLEMENTATION PROGRAMS TO ENACT A NEW ARTICLE 8.1, "IMPACT FEES", INCREASING THE PARKS IMPACT FEE AND ESTABLISHING IMPACT FEES FOR MUNICIPAL, POLICE, FIRE RESCUE, WATER, WASTEWATER, AND STORMWATER FACILITIES; ADOPTING THE CITY OF DELRAY BEACH IMPACT FEE JUSTIFICATION FEE STUDY; AND ESTABLISHING THE IMPACT FEE SCHEDULE; PROVIDING A CONFLICTS CLAUSE, A SEVERABILITY CLAUSE, AND AUTHORITY TO CODIFY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES (SECOND READING / PUBLIC HEARING).

Recommended Action:
Motion to review and consider Ordinance No. 34-26, adopting the City of Delray Beach Impact Fee Justification Study and updating the parks impact fee and establishing new impact fees for Municipal, Police, Fire Rescue, Water, Wastewater, and Stormwater facilities for new development in the City of Delray Beach.

Background:
Impact Fees are one-time charges to new development to help fund public facilities and infrastructure that are impacted by growth. The Florida Impact Fee Act (Section 163.31801, F.S) recognizes impact fees are an important source of revenue for managing the impacts to the services local governments provide. The Act governs the establishment of new impact fees and the amount municipalities can increase existing impact fees by requiring a "rational nexus" between the fees assessed and the necessary expenditures to accommodate growth.

Currently, the City of Delray Beach only collects a Parks Impact Fee on behalf of the City. Roadway impact fees are collected on behalf of Palm Beach County through the permitting process via an interlocal agreement. To increase existing fees or establish new impact fees, a financial analysis of the impacts of anticipated growth on municipal systems is required by state statutes. The City engaged DTA to perform this study for the City of Delray Beach and the final report was provided January 28, 2026 (attached). The study recommends establishing new impact fees for Municipal (called "City Administration" in the report), Police, Fire, Water and Wastewater, and Stormwater Management. Under the analysis, the Parks fee should be increased to $6,741 per dwelling unit and $3,790 per hotel room; however, recent state legislation limits the amount existing impact fees can be

raised. Therefore, the Parks impact fee will be increased to $562.50, and could gradually increase in alignment with Florida statutes over time.

It is important to note, the City Commission can decide to adopt all, some, or none of the proposed impact fees. It is also important that it be recognized that collected impact fees can only be used to fund the capital costs outlined in the study.

The attached Planning and Zoning Board (PZB) Staff report provides an analysis of the proposed fees. On June 15, 2026, PZB voted 6 to 0 to recommend approval of the ordinance, with recommendations the City Commission consider discounts for affordable housing units and historic properties to advance adopted Comprehensive Plan policies regarding incentives for workforce housing and historic preservation.

In response to the PZB recommendations the City Commission asked for discounted impact fees to be included in the ordinance for certain affordable housing and historic preservation purposes. To this end, now included in Sec. 8.1.5. of the ordinance are definitions of "Affordability controls" and "Historic properties" which are defined such that a 50% discount on total impact fees can be applied through the Fee Schedule. Should the Commission wish to adjust these percentage discounts, it would need to be done at this second reading. Additionally, since the City cannot collect more in an administrative fee then it costs to administer the program, the fee for such was reduced from 2% of the total impact fees per project to a flat $40 per project.

City Attorney Review:
Approved to form and sufficiency.

Funding Source/Financial Impact:
The ordinance will help raise funds to offset the impact of growth in the City. More detail is provided in the study.

Timing of Request:
The ordinance will become effective 90 days following second reading/adoption of the ordinance.